



Franklin County Indiana Government
GRANT POLICY

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Definition and Purpose

This policy is a living document which contains Federal, State, and County policy that, by its nature, will need to be revised over time as regulations change, new tools emerge, new processes are designed, and risks change. The County Commissioners, Council, and Auditor will review this document and make any revisions and/or updates fitting for the County and the people which it serves.

A grant defined for this policy is an award of financial assistance in one or more forms of currency, land, assets, hours worked, and/or supplies. Grants are intended to support a public purpose. The assistance comes from the following sources: Federal, state, and local government, not-for-profit organizations, and private companies and donors.

The Franklin County Indiana Commissioners, Council, and Auditor have the right to accept and/or decline a grant as defined above for any County Department, Contractor, and/or passthrough Subrecipient.

Purpose of this policy is to address the following:

- Roles and Responsibilities
- Grant Application and Approval
- Grant Award Notification and Acceptance
- Grant Reporting, Managing, Monitoring, and Accounting
- Personnel
- Purchases
- Grant Close-out

The above-listed items are important (1) to ensure proper oversight of all grants, (2) to minimize the county's risk of non-compliance legal liability with grant requirements, and (3) to ensure the proper administration, accounting, reporting, and record keeping of all grants.

Failure to comply with requirements can lead to a loss of good will, legal liability, and possibly payback of the grant. Grants should be reviewed by the Commissioners, Council, and Auditor to ensure requirements are followed and any county funds are properly utilized. The review should be a proactive process to understand a grant's relationship with county funds so that reimbursement, matches, staffing, spending beyond the grant and/or grant period, and reimbursement back to Grantor of monetary funds is fully understood before accepting or declining a grant.

This policy is not a comprehensive listing of all rules, regulations, and/or laws relating to grants administration. This policy is being put in place to provide standardized procedures to direct county personnel in the pursuit and management of grants. All respective county departments are responsible for the creation any necessary internal procedures that will be used to ensure compliance with this policy.

Roles and Responsibilities

Definitions:

Franklin County, Indiana Board of County Commissioners (Commissioners)

All grant applications, contracts, required reports, extensions and changes to terms and/or contract will require Commissioners approval..

Franklin County, Indiana County Council (Council)

All grant applications, contracts, and financial budget/obligations will need to be approved or declined before Council.

Franklin County, Indiana Auditor's Office (Auditor/Fiscal Agent)

The Auditor is responsible for maintaining official records. In this capacity the Auditor is responsible for

- (1) maintaining adequate records to ensure compliance with Federal and State accounting and reporting requirements for all grants administered by the elected officers and/or county departments, and
- (2) conducting independent and objective evaluations of all relevant activities under the Commissioners/Council, and coordinating with the Indiana State Board of Accounts.

The Auditor shall ensure compliance with internal control systems and procedures of the county and its departments. The Auditor will require access to all grant reporting systems and have permission within the reporting system to review all grant reports submitted. All documents associated with a grant (including grant electronic records and email) need to be provided to the Auditor for internal control record keeping.

Program Coordinator or Supervisor/Elected Official/Department Director (Coordinator)

A Coordinator is the person responsible for coordinating and executing all requirements outlined in the grant agreement/contract, including but not limited to reporting requirements. Coordinator is responsible for delegating responsibilities and tracking staff hours (to track chargeable hours and to understand the commitment to County offices) to execute the grant requirements. The Coordinator is responsible for communication and accountability of Contractors and Subrecipients. The Coordinator is accountable for obtaining all records and reports associated with a grant including assets purchased with grant funds in association with Contractors and Subrecipients.

County Departments with Project/Award Manager (Manager)

A Manager is the party within a County Department that is assigned by the Coordinator to manage day-to-day tasks and support the Coordinator in the Coordinator's required roles.

County Attorney (Attorney)

The Attorney provides legal advice, counsel, and legal representation to the Commissioners, Council, Auditor, Departments, Agencies, and Officers of the County. The Attorney prepares and negotiates contracts, settlements, and other documents on behalf of the County pertinent to grants.

County Department Board

The County Department Board is composed of paid and/or volunteer members of the County to provide guidance and expertise on specific areas, policies, and/or topics.

Subrecipient

A Subrecipient is an agency, organization, or business that receives grant assistance from the County, a Primary Recipient, or another Subrecipient. A Subrecipient is subject to certain Federal, State, and/or audit requirements.

Contractor

A Contractor is a person acting upon a subcontract that is hired to perform specific grant-supported work. The terms of the obligations for the Contractor should be set forth in a written contract.

Scope

This grant policy is applicable to any County program, County Department, Elected Official, or division that uses the County's central accounting system and is part of the same internal control structure as the County primary government (Departments). This grant policy also applies to pass-through grants, Contractors, and Subrecipients. This grant policy covers grants obtained outside the County government that will ultimately provide funds, materials, and/or equipment to be received and administered by the County and/or by an Agency for which the County acts as Fiscal Agent (with the consent of the Commissioners). The goals and objectives of a County Department for the purpose of a grant should be established early in the grant planning process and changes should be carried out

in compliance with this policy. If the grant policy and/or regulations conflict with requirements for a specific grant or with Federal, State, or Local law, the more restrictive requirements shall be followed.

Grant Application and Approval

Important information for a County Department that intends to have a Subrecipient perform a grant program over \$25,000.00 on behalf of Franklin County. The Subrecipient must have a Unique Entity Identifier Number (UEI) prior to grant fund disbursement and should make all efforts to begin obtaining a UEI as soon as a grant is awarded.

Prior to a County Department or Subrecipient acting on behalf of the County applying for a grant, the Commissioners must give permission. In case of a grant application with a short application window the following steps must be met before the department or subrecipient can apply. (Indiana Code 5-14-1.5)

- An email with the Request of Grant Application Form (Provided by the Auditor) must be attached and completed. Within the body of the e-mail an explanation of time sensitivity must be given. This e-mail must be sent to Commissioners, Auditors Office, and all members of the relevant Department Board if the County Department has one in place.
- Before a grant application can be submitted the applicant must have returned e-mails from the Commissioner designated to conduct preliminary grant reviews and the Auditor giving approval to submit the grant application. The designated Commissioner and Auditor shall make all efforts to timely respond or to designate a party to respond if unavailable. If a Department Board is in place the Applicant must receive e-mails from the member of the Department board designated to make preliminary reviews. E-mails must be maintained for grant records.
- At the next regular Commissioners public meeting the County Department or Agency must still give a presentation of the grant obtain approval.

A request to be placed on the agenda should be given to the Commissioners and Auditor's Office at least three business days in advance of a meeting along with Request of Grant Application Form. At the Commissioners meeting the person representing the County Department or Agency for a grant will present the information on the form and be prepared to answer any further questions about the grant from the Commissioners, Auditor, and/or public.

At the Council meeting immediately following the grant application approval from the Commissioners meeting, the County Department or Agency will present the purpose of the grant and a tentative budget. The tentative budget should include County funds that would be required in the form of cash sharing (Cash, Expenditures, In-Kind Services, or Via Third Party Commitment), employee compensation (including benefits), equipment, supplies, materials, and/or purchases.

Grant Award Notification and Acceptance

Once a County Department or Agency receives the grant award notification or denial, the following steps need to be completed.

- (1) If a grant is denied or an award letter/email is sent from the Grantor, the award notification must be sent/forwarded to the Commissioners and the Auditor. If the grant is awarded the County Department or Agency needs to be placed on the agenda for the next Commissioners and Council meetings immediately after receiving the Grant Contract. Once received the Grant Contract should be reviewed by the County Attorney and Board Members of a Department Board if in place for a County Department. The County Attorney will review the Grant Contract to make sure the County has the ability to meet the deliverables, causes, and/or special conditions set forth by the contract including compliance with State and Federal laws. If the County Department has a Department Board, documentation will need to establish that the Department Board Members were made aware of the grant and are in agreement with accepting the Grant Contract.
- (2) During the Commissioners' and Council's public meetings, the County Department or Agency will present the grant, give the grant award amount, give a summary/recap of the goal/purpose of the grant including how this grant benefits the citizen and community of Franklin County, and present the official budget for the grant including any new and/or changes in employee positions and/or special conditions that are required to be met within the Grant Contract. If this is a new grant contract, the applicant will need to contact the Auditor's Office for a fund number. If the grant is a continuation of an already established grant program, the fund number should be reaffirmed with the Auditor. The pre-application tentative budget should be finalized. Any anticipated additional fund transfers, interfund transfers, and/or encumbrances should also be included. For the grant

to be legally binding the Commissioners and Council, must make a motion of acceptance of the Grant Contract and associated budget. Then the Grant Contract or agreement may be signed by the Commissioners, Department Director, and/or responsible Agency Official. Once the Grantor and Grantee have signed the Grant Contract, the grant is officially legally enacted.

Grant Reporting, Managing, Monitoring, and Accounting

If a grant system was used for the application and/or is being used for grant reporting (examples of these system are Intelligrants, Gateway, Judicial) the Program Coordinator should ensure grant roles are defined within the grant system for each individual grant. Specifically, pursuant to the directive of the Commissioners, the Auditor shall be defined as the Fiscal Agent for each grant. This allows the Auditor to have access to the reports. If the grant documents are already created from an existing grant in the grant system, the coordinator and/or Manager will need to add the Auditor manually as the Fiscal Agent to each document.

County Departments and/or Agencies are responsible for fulfilling the following requirements of the grant program:

- Reporting on Activities and Deliverables
- Financial Accounting including Additional, Claims, Encumbrances, Payroll, Purchases, Reimbursement Submittals, and Transfers.
- Cost Sharing/Matching
- Asset and Supply Tracking/Disposal
- Extensions and Modifications
- Distribution and Record Keeping of all Documents

If the County Department has sublet the grant to another organization or agency to perform the grant program, the County Department is responsible for making sure the parameters of the grant program are followed, completed, and reported within the required deadlines. The terms between the County and Subrecipient are established in the contract between the County and the Subrecipient approved by the County Attorney and the County Commissioners. The County Department is responsible under the Grant Contract for oversight of the Subrecipient. The County Department will need copies of all budgets, reports, records, payroll, expenditures with purchase receipts, proof of insurance (as needed), cost

sharing/match, and all documents associated with the grant from the Subrecipient. Any federal awards for which a County Department acts as a pass-through entity for paying Subrecipients will meet the Subrecipient monitoring requirements in Federal Government OMB Circular 2 CFR 200. The County Department shall ensure the Subrecipient is aware that they must comply with all State and Federal laws and regulations and provisions required by the grant.

Grant funds awarded may only be used for allowable grant related expenses and expended within the performance period identified with in the Grant Agreement/Contract.

Modifications or reallocations to the grant budget that alter the grant amount or move funds from one budget line or item to another must adhere to Grantor, Auditor, and County policy and procedures. The Program Coordinator shall provide notice to the Auditor of any Additional or Transfer of Funds. The Auditor shall give guidance as to whether Commissioner or Council approval are needed for such Additional or Transfer.

Grant funds shall not be used to offset an existing expense so that current funds can be diverted to another use unless such use of grant funds is explicitly identified as allowable in writing by the Grantor and approved by Commissioners and Council. Supplanting expenses is often illegal and should not be done without clear consent from the Grantor.

Grant funds may not be redirected to other activities/program not originally stated in the grant, unless written approval is given by the Grantor and Commissioners.

County Departments receiving grant funds shall adhere to County policy and procedures regarding revenue collections, accounting, and reporting of grants received by the County. Any grant program revenue is defined by Federal Government §200.307 Super Circular.

Departments or Agencies must submit claims and/or payroll through the Auditor's Office accounting systems using the fund numbers associated with the grant.

The County Department or Agency is responsible for establishing, managing, and reporting cost matching if applicable. Any claim and/or payroll for cost matching shall include the amount of and fund number for the match.

County Departments or Agencies are responsible for the proper submission of reimbursement and/or drawdown requests for reimbursement of grant expenditures. Reimbursement requests should be made monthly unless the grant

requires a different designated reimbursement schedule. When a reimbursement and/or drawdown request is made, notification and documentation information of the request needs to be sent to the Auditor and Treasurer. It is recommended that a County Department or Agency complete a monthly assessment of each grant program and its budget. Care should be taken to avoid confusion between local, state, and Grantor fund number as they may differ.

The County Department, Agency, and/or Subrecipient is responsible for encumbering funds from one fiscal year to the next if the grant spans more than one year. The amount encumbered should be the remainder of the grant award at the end of the year to be transferred into the new year. If for a matching grant, the remainder of the required match at the end of the year should be encumbered for the new year. If there is no remainder, no encumbrance is required. All invoices for goods or services incurred in the fiscal year should be processed promptly before the end of the year. This also includes reimbursement for grant funds spent before September 30, in the fiscal year to be quietus in before the end of the year.

Grant fund line numbers can go negative as long as the grant account has not spent above the grant awarded amount. County Department or Agency grant expenditures are initially covered by the County General Account unless the County Department or Agency has department funds to cover their expenditures before reimbursement occurs from the grant. If a County Department or Agency uses department funds to pay for grant expenditures, once the grant reimbursement is received, the reimbursement is applied to those department funds first for reconciliation. Accounting adjustments of all funds involved shall be made by the Auditor's Department. County Departments or Agencies must be diligent in compliance with all applicable Federal, State, and Local regulations and ensure grant expenditures are in compliance with the grant spending/procurement policies and procedures. If the Grantor determines program parameters or procurements have not been met and denies grant reimbursement the County Department and/or Agency is responsible to cover the funds spent from their department budget and/or Agency funds.

The County Department or Agency is responsible for filing grant extensions and modifications. If a grant modification is granted to adjust the original approved budget and/or grant program deliverable, the Grantor needs to provide approval to the County Department or Agency in written form. The County Department or Agency will inform the Commissioners and Council at a public meeting of the reason for the modification and provide written approval from the Grantor. The Commissioners and Council must approve the modification. Extensions are similar

to modifications. The request and reason for an extension must be submitted along with written approval from the Grantor in the form of a proposed Grant Contract Amendment. The Commissioners must then approve the grant extension. Subrecipient or Agencies extensions will need to be approved by the Commissioners. The Commissioners will need to contact the County Attorney to see if a new Subrecipient or Agency contract is required. Copies of all documentation of extensions and modifications shall be sent to the Commissioner and Auditor's Office.

Grant Program Review Clarification Question and Answer of Roles of Responsibility

Q: Who creates the budget for each grant program?

A: The County Department or Agency

Q: Who enters the budget for Grant Program?

A: The County Department or Agency

Q: Who verifies that the budget aligns with the ledger? How is this communicated between responsible parties?

A: The County Department or Agency working with the Auditor/Fiscal Agent. This is communicated through in person communication, emails, and documentation.

Q: Who verifies allowability of each cost under the grant program and the Uniform Grant Guidance?

A: The Auditor/Fiscal Agent working with the County Department or Agency.

Q: For each grant program who is the informed contact for questions?

A: The County Department or Agency

Q: When cost changes occur within the program, who is notified?

A: The Grantor, Commissioners, Council, Auditor/Fiscal Agent

Q: When cost changes are identified, what is the timeline for submitting budget amendments?

A: The first step would be to notify the Grantor. Then look for solutions on how to cover the cost changes. Depending on how the cost changes are to be covered, an additional, transfer, and/or asking for funds from Council. The County

Department or Agency will need to work with the Auditor to find out when deadlines are for advertisement of the additional if required. Then the County Department or Agency will need to go in front of Commissioners and Council to inform them of the cost changes and solutions to cover the cost.

Q: Who verifies that each amended cost is allowable under the Federal program and/or Uniform Grant Guidance?

A: The County Department or Agency with notification to the Grantor. Written documentation must be submitted from the Grantor approving the allowable cost changes. The Auditor will then need to be notified and given the written approval for the amended cost change. If this documentation is not provided, the Auditor/Fiscal Agent has the right to deny payment of the claim.

Q: Who is responsible for generating supporting documentation demonstrating a cost is reasonable, necessary, or allocable if it impacts a cost's allowability?

A: The responsibility falls upon the County Department or Agency to generate supporting documentation demonstrating a cost is reasonable, necessary, or allocable. A copy of this documentation needs to be kept on file by the County Department or Agency along with a copy sent to Commissioners and Auditor.

Q: Where is correspondence regarding budget review kept for each of the Federal grants?

A: Correspondence is kept by the County Department or Agency with additional copies of the correspondence sent to the Auditor for record retention (and to the Commissioners if requested).

Personnel

County Department or Agency determines the Employee(s) time budgeted on a grant and what type of employment position is required. The County Department or Agency is responsible for providing the documentation to support on how it is or was determined on staff budgeted time. It is up to the County Department or Agency to determine how often this information needs to be reviewed or updated. County Department or Agency will need to retain this information for their records, along with supplying the Auditor's Office a copy for document retention.

Any new positions created by grants will need to be approved by the Commissioners and Council. Once approval is made the Commissioners will need

to have the Contract of Employment or Signed Acceptance Letter for the new hourly/salary position. The new hourly/salary Employee will need to go to the Commissioner's Office to give their personal information and sign up for benefits if they are available with their employment. The new employee will need to provide the Auditor's Office with their payroll information. If the new position is setup as a Contractor the County Department or Agency will submit a copy of the Contract of Employment to the Auditor's Office. To pay a Contractor or assisting Agency the Coordinator/Manager will submit a claim for the payment with supporting documentation the same way all other claims are submitted to the Auditor's Office through the financial system.

The County Department or Agency is to provide the Auditor with the fund and account numbers for pay and benefit amounts for payroll. If it is a match grant the grant fund/account, the matching fund/account, and the amounts coming out of each fund/account are to be given to the Auditor for payroll.

Any Contractor or Employee position created or currently in existence from grant funding can not extend beyond the terms of the Grant Contract unless Commissioners and Council approve the continue support of the position or contract after the grant terms have expired, are pending renewal of grant program, or declined. An Employee or Contractor will not be paid unless there is an existing grant contract approved and signed by the Grantor and Grantee. Sometimes there will be gaps between the grant contract being officiated and the end of the previous grant program that is going to be renewed. At this time the County Department or Agency will need to contact the Grantor and ask if retroactive reimbursement will be given for Contractor or Employee time. If the answer is yes, the County Department or Agency will need to temporarily allocate funds to cover the expense of the Contractor or Employee from the County Department budget. If the County Department or Agency does not have the funds in their budget to cover the expense they will need to go before the Commissioners and Council to ask for temporary usage of County General Funds. If County General funds are utilized the County Department or Agency is responsible for repayment of those funds to County General either in the form of grant reimbursement or by County Department or Agency budget funds. If the answer is no, the Contactor or Employee will not be paid. Employee or Contractor will need to be informed they will not receive pay for their time worked until the grant is initiated and that position becomes active. The County Department or Agency needs to inform the Contractor(s), Employee(s), and Subrecipient of the how their compensation is affected in relation to the grant contract/program terms of being awarded or renewed before they agree to the perform the work.

An Employee, Contractor, and Subrecipient will need to keep detail records to accurately reflect their time while working on one or more grants. The Grantor might provide how they would prefer the Grantee to document time and details worked. If not the Coordinator or Manager can create a Grant Work Performed Report in Microsoft Excel or Word to record the time and detail of hours worked. Remember to keep separate working time detail reports for each individual grant. The County Department or Agency will need to setup a monthly review for Grant Work Performed Report(s) where it will require for a Coordinator/Manager and Employee/Contractor/Subrecipient to sign the report(s). Work Performed Reports are required to match the time submitted for payroll to the Auditors Office. These documents will need to be on file with the County Department and the Auditor's Office.

This is in compliance with United States Government section 430(I) of 2 CFR 200. It is never acceptable for salaries and wages to be charged to a federal grant based solely on budget percentages or budget amounts.

Property

All property and equipment acquired with grant funding shall follow the Grantor and County policy and procedures for procurement of goods. All property and equipment acquired through grant funds shall follow the Grantor, County, Federal, and State Board of Accounts policy and procedures for asset inventory and reporting.

Any vendor who is used to make a grant purchase of any amount, especially Federal Grants, must first be certified through the Office of Foreign Assets Control (OFAC) www.sanctionssearch.ofac.treas.gov. Enter the information in the OFAC Sanctions List Type All, Name of Vendor, Program All, State/Province, Country All, and List All then press search. A message should appear in the bottom Lookup Results. Then in the top Lookup section go to the right of the box and click on the printer icon. Then print the return page for your records and include a copy to the Auditor's Office along with the purchase claim.

Any asset obtain with grant funds is required to be entered in the County Asset Database by the County Department or Agency. The grant asset labeling tags can be acquired through the Auditor's Office. Single assets that have a monetary value equivalent and/or over \$5,000.00 will receive an orange capitol asset tag. Grant assets that are below the \$5,000.00 amount will receive a red asset tag. The Subrecipient will need to keep an inventory of asset purchases as well as obtain

asset labels from the County Department that they are receiving the grant through. The Subrecipient is responsible for labeling the grant purchase accordingly. The Subrecipient will give an inventory list with corresponding asset label numbers to the County Department to enter into the County Asset Database. The County Department is responsible for the assets acquired by a Subrecipient, including to make sure the inventory and status of the asset is kept up to date. The County Department or Agency should do an annual inventory check to safeguard against theft, damage, or loss.

If assets purchased with Federal grant funds are no longer used in the grant program due to grant expiration, asset is lost, stolen, damaged or has become idle, the Grantor needs to be notified. The Federal Government may be due a portion of proceeds for equipment items with a book value of \$5,000.00 or more at the time of disposition. If the Federal Agency is compensated for the current fair market value of the item, the equipment may be retained by the agency. If the item is under \$5,000.00, the County Asset Policy applies.

Grant Close-Out

The County Department, Agency, and Subrecipient are responsible for performing the necessary administrative and financial actions to meet the grant requirements set forth by the Grant Contract within the performance period. This should prepare the Grantee to complete the closeout process of the Grantor. By completing the Grantor's closeout process and obtaining written documentation from the Grantor that the grant has been completed. The written documentation usually comes in the form of Notice of Closed Award. If the grant program is not completed by the end of the performance period, an extension can be filed with the Grantor. All records for this completed grant must be retained for three years.

Auditor Authority

2 C.F.R Part 200, §200.302(b)(7) "Written procedures for determining the allowability of cost in accordance with 'Subpart E – Cost Principles of this part and the terms and conditions of Federal Award'"

2 C.F.R. Part 200, §200.403 To be allowable under Federal awards, except where otherwise authorized by statute, costs must be:

- Necessary and reasonable and allocable

- Conform to cost principles of Federal award as to types of amounts of cost items
- Consistent with policies and procedures that apply uniformly to Federal and non-Federal funded activities
- Consistent treatment as directed or indirect cost
- In accordance with GAAP
- Not included as a cost to meet cost sharing or matching requirements of any other federally financed program
- Adequately documented

Subpart E Cost Principles

§200.420 addresses 55 “items of cost” that receive clarification regarding allowability, in general, for using Federal funds. It is not an exhaustive or minutely detailed list but provides guidance on “Basic Considerations” to apply to all costs, listed or not listed.

Source Federal Government